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August 16, 2013

***Ex Parte Notice***

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

***Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6***

Dear Ms. Dortch:

On August 14, 2013, the undersigned and Orin Heend, our firm's outside counsel, met with Nicholas Degani, Legal Counsel to Commissioner Pai, to discuss the Commissioner's proposal to update the E-rate Program, Funds For Learning's proposal to update the E-rate program, and the differences and similarities between the two. Afterwards, to follow up, I sent Mr. Degani the attached email, which included a summary of our proposal and the following table.

**Per Student Funding Requests (FY2013) and Estimated FY2014 Funding Requests  
(Under the FFL Proposal)**

| Location Type          | FY 2013 Request | FFL<br>Proposal FY2013<br>funding | FFL Proposal \$4.5<br>Billion Cap |
|------------------------|-----------------|-----------------------------------|-----------------------------------|
| 11-City: Large         | \$55.32         | \$57.30                           | \$91.71                           |
| 12-City: Mid-size      | \$36.26         | \$52.09                           | \$83.71                           |
| 13-City: Small         | \$35.82         | \$50.55                           | \$82.14                           |
| 21-Suburb: Large       | \$27.27         | \$45.29                           | \$73.61                           |
| 22-Suburb: Mid-size    | \$26.82         | \$46.90                           | \$76.32                           |
| 23-Suburb: Small       | \$32.45         | \$47.05                           | \$76.63                           |
| 31-Town: Fringe        | \$31.54         | \$45.94                           | \$74.86                           |
| 32-Town: Distant       | \$46.00         | \$53.58                           | \$86.95                           |
| 33-Town: Remote        | \$45.58         | \$55.97                           | \$90.63                           |
| 41-Rural: Fringe       | \$36.01         | \$49.16                           | \$78.76                           |
| 42-Rural: Distant      | \$50.04         | \$56.01                           | \$87.93                           |
| 43-Rural: Remote       | \$106.24        | \$114.59                          | \$147.52                          |
| Other: Rural           | \$54.01         | \$78.03                           | \$110.35                          |
| Other: Urban           | \$53.67         | \$58.67                           | \$89.91                           |
| NYCBOE                 | \$233.31        | \$58.10                           | \$95.45                           |
| <b>Overall Average</b> | <b>\$42.68</b>  | <b>\$51.89</b>                    | <b>\$82.83</b>                    |

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In my email, I emphasized that FFL's proposal would allow every applicant to use their E-rate discounts as they saw fit, including the purchase of internal connections. It would increase predictability of funding commitments, encourage cost-effective decision making, reward applicants for accurate funding requests, and allow for faster funding decisions by USAC (as well as many other benefits).

Under the FFL proposal, an applicant's total E-rate support would no longer be determined by the service category of its funding requests. Instead, applicants could set their own funding priorities. Their annual E-rate discounts would be limited based solely on their own needs, as well as their discount rate, enrollment size, and location – not by some arbitrary “discount threshold” which they can't control.

/s/

John D. Harrington

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